

Paid Lunch Equity Tool Script

(Display Title Slide)

Hello, we are going to walk through how to complete the Paid Lunch Equity Tool for the Pricing agencies. The following presentation will be helpful for those that charge a price for their student lunches.

There are other tabs within the tool for if a school was going to use nonfederal funds to meet pricing requirements instead of increasing student prices – if this is an option that you are going to consider, please reach out to the CANS office for further assistance.

(Switch to PLE Tool)

Now, let's begin –

It is best practice to view the PLE Guidance and Instructions tabs prior to starting. The Instructions tab is a good place to find step-by-step instruction (display the Instructions tab).

(Click on Unrounded Requirement Finder tab) First, we will start completing the PLE Tool by going to the Unrounded Requirement Finder tab.

One note – users can only enter information into the peach-colored cells. If you try to enter information into a non-peach-colored cell, the document will display a 'Password Protected' message.

On the **Unrounded Requirement tab**, we will complete **Step 1**.

- Enter the Previous Year's Unrounded Price Requirement into the Peach box of Step 1.
 - o This number can be found in the Report tab of the previous year's PLE Tool.

For the purposes of this training, we are going to use 3.00 as the Unrounded Price Requirement from the previous year's tool. (Enter 3.00 into Step 1).

Step 1	
Enter the SY 2019-20 Unrounded Price Requirement in the box below	SY 2020-21 Weighted Average Price Requirement
<i>This is found in Section 1: Box A of the SY 2019-20 REPORT from the SY 2019-20 tool or below (Price 2)</i>	Requirement price to the nearest cent
\$ 3.00	\$ 3.09
<i>Note: Above prices are based on adjusting SY 2019-20 price requirement by the 2% rate increase plus the Consumer Price Index (2.94%)</i>	

If you do not know your Unrounded Requirement from the previous school year, you would need to determine the Weighted Average Price from School Year 2010-11, and fill out the table below Step 1. Upon filling out this table, you would enter Price 2 up above into Step 1.

For demonstration purposes, let's say our Weighted Average Price back in School Year 10-11 was 2.25 (key in 2.25 into the peach box).

Complete if you do NOT know your SY 2019-20 Unrounded Price Requirement		
Annual Unrounded Requirement Finder		
Enter the SY 2010-11 Weighted Average Price below <i>** The weighted average price for SY 2010-11 is the weighted average of all paid lunch prices charged in the SFA</i>		
SY 2010-11 Weighted Average Price	Unrounded Price Requirements	
	Price 1: SY 2018-19 Requirement price to the nearest cent	Price 2: SY 2019-20 Requirement price to the nearest cent
\$ 2.25	\$ 2.92	\$ 3.00
SY 17-18	\$ 2.86	
SY 16-17	\$ 2.78	
SY 15-16	\$ 2.70	
SY 14-15	\$ 2.65	
SY 13-14	\$ 2.54	
SY 12-13	\$ 2.42	
SY 11-12	\$ 2.32	
<p>If you do not know your SY2010-2011 Weighted Average Price CLICK HERE</p>		

Here, we can see that the table calculated a Requirement Price of 3.00 for the Previous School Year, as listed for Price 2. We would key this in up above (scroll back up) into Step 1.

All agencies should have their Requirement Price from the previous school year available, though. Again, this can be found on the Report tab from last year's PLE Tool, which is kept in the previous year's iCAN application.

Next, we will click the next tab in the workbook – the **Price Calculator** (click SY20-21 Price Calculator tab).

SY 2020-21 Weighted Average Price Requirement	
Requirement price to the nearest cent	<i>Optional price requirement</i> ROUNDED DOWN to nearest 5 cent
\$ 3.09	\$ 3.05
<i>Note: Above prices are based on adjusting</i>	

Here, we can see that the requirement price is 3.09. This means that the Required Weighed Average for the year that the tool is being completed for must equal 3.09 or above.

However, since 3.09 is not a nice, neat number, the tool allows an optional round-down to the nearest 5-cents for compliance. We would now only need to meet a weighted average of 3.05 to be in compliance.

Once we scroll down a little bit, we will see the **Weighted Average Price Calculator**. Here, we are going to enter Student Lunch information from the previous October.

We will enter 2,017 lunches at a price of 3.00, and 1,442 lunches at a price of 2.85.

This is most likely the meals from a high school and the meals from an elementary school, with the corresponding student price. If you have multiple paid student prices, use multiple lines.

Keep in mind, do not include breakfast meals, free meals, reduced price meals, or adult meals. We are only entering paid lunches and the corresponding paid lunch price.

SY 2019-20 Weighted Average Price Calculator			
Enter the paid prices and number of paid lunches sold at each price for October 2019.			
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2019-20 Weighted Average Price
1. 2,017	\$ 3.00	\$ 6,051.00	
2. 1,442	\$ 2.85	\$ 4,109.70	
3.		\$ -	
4.		\$ -	
5.		\$ -	
5.		\$ -	
7.		\$ -	
3.		\$ -	
3.		\$ -	
3.		\$ -	
3,459		\$ 10,160.70	

- After entering the information, we see that last year's October service displays a 2.94 weighted average price. The PLE Tool does not only look at each individual sales price, but also calculates a weighted average of the sales prices being used.

As we remember from above, the requirement price that we need to hit is 3.05, due to the optional round-down (scroll back up momentarily to display requirement price).

SY 2020-21 Weighted Average Price Requirement	
Requirement price to the nearest cent	<i>Optional price requirement</i> ROUNDED DOWN to nearest 5 cent
\$ 3.09	\$ 3.05
<i>Note: Above prices are based on adjusting</i>	

If we scroll back down past the Price Calculator, we will see the **Total Price Increase** and the **Required Price Increase with 10-cent cap**.

Total Price Increase for SY 2020-21
\$ 0.11

Required price increase for SY 2020-21 (with 10 cent cap)
\$ 3.04

The **Total Price Increase** displays the difference between the Weighted Average Price, and the Requirement Price. In this case, our calculated Requirement Price was 2.94, and our Requirement Price was 3.05 – the difference of 11-cents.

The Gray box is the **Required Price Increase with a 10-cent cap**.

- This box displays the minimum Weighted Average Price that would need to be charged in order to stay in compliance with the upcoming school year, or the year that you are setting prices for.
- The 10-cent cap allows a school to be in compliance with a 10-cent weighted average price increase, even if the difference is greater than 10 cents.
- Think of this as the USDA saying that it is unreasonable to require a school to make a price increase greater than 10 cents within a given year.

For our example, we can see that now, we would only need to increase our weighted average price from 2.94 to 3.04 to be in compliance, even though our original requirement price from up above is displayed as 3.09.

The **green shaded boxes** simply display if the school is ahead of behind of the requirement price, based on the gray box. These boxes do not necessarily need too much attention, as you are reviewing paid lunch prices every year.

Next, we will scroll down to **Step 3**. Although Step 3 is labeled as being 'Optional', this is really required to complete if you are increasing prices. This is a way for us to determine estimated an Weighted Average based on potential prices. There is really no other way to adequately calculate a Weighted Average without completing Step 3.

In Step 3, we will enter our October lunches from up above – **2,017 and 1,442**. For the corresponding Paid Lunch Prices, we will make minor increases from our original October amounts until we get to the Requirement Price, in this example, of being 3.04.

It might take you a couple tries of changing the Paid Lunch Price to get to a Weighted Average which meets the Price Requirement identified from the Gray box above.

(Enter 2017 meals @ 3.10 and 1442 meals @ 2.95).

Step 3 (Optional)

Pricing Estimation Calculator

is a tool allowing users to manipulate prices to achieve the required new weighted average

	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	Weighted Average Price
1.	2,017	\$ 3.10	\$ 6,252.70	
2.	1,442	\$ 2.95	\$ 4,253.90	
3.			\$ -	
4.			\$ -	
5.			\$ -	
6.			\$ -	
7.			\$ -	
8.			\$ -	
9.			\$ -	
10.			\$ -	
TAL	3,459		\$ 10,506.60	\$ 3.04

Here, we can see that a 10-cent price increase at each price point will allow us to meet the 3.04 price requirement, as displayed in the Gray box above.

Keep 3.04 in mind, as this is our **New Average Weighted Price**.

Next, we will go to the **20-21 Report**. This can easily be done by simply clicking the blue hyperlink right above Step 3.

[Go to SY 2020-21 Report](#)

Step 3 (Optional)

Now, we are on the Report page.

From here, we can see that 3.09 is displayed in bigger, bold lettering. 3.09 is what would go in NEXT year's PLE Tool, for Step 1.

If we scroll down a little bit, we can see a **drop-down menu** is displayed. Click the drop-down menu, and select the appropriate option. If you are Increasing your prices, you would select the **"Increase"** option. (Select Increase 2020-21)

Section 1: SY 2020-21 Weighted Average Paid Price Requirements

A. SY 2020-21 Weighted Average Price Requirement*: <i>*This price will be entered into the SY 2021-22 tool to determine the SY 2021-22 weighted average price requirements</i>	\$3.09
B. Optional Price ROUNDED DOWN to nearest \$0.05 cents:	\$3.05

Section 2: Amounts Carried Forward to SY 2021-22

Select the SY 2019-20 method used to ensure sufficient funds are provided for PAID

Lunches

Increase SY2020-2021 average weighted price
▼

The other options in the drop-down menu pertain to using Nonfederal Funds to meet the PLE requirement, or if no price increase is necessary, or using an Exemption if you have positive funds in your food service account as of a particular date. The Exemption is not always available; be sure to check with the CANS office if this is a potential option.

Finally, the last step – Just below the Drop-down menu, you will see a header labeled ‘**Average Weighted Price Adjustments**’.

- Enter the **new average weighted price**, as determined from Step 3 of the tool, in the available peach box.
- As you may remember, **our new average weighted price is 3.04** (key in 3.04).

Average Weighted Price Adjustments

A. Remaining increase carried forward to SY 2021-22:	\$0.01
B. Remaining credit carried forward to SY 2021-22:	\$0.00
Enter in the new average weighted price for SY 2020-21:	\$3.04

Also, keep in mind that the New Weighted Average Price will be reported in the **Annual Information Update** Checklist Item within the Annual Agreement with CANS in the iCAN system.

And that is it – you have completed the Paid Lunch Equity Tool. Be sure to Save the Tool somewhere that you can find it, as you will need to attach the full Excel document to your iCAN application.

(Display Training Slide)

Thank you for following along with this training on the PLE Tool. Please make sure to track this training accordingly in your Training Tracker as Key Area 3 – Administration, 3350 Fiscal Management Pricing.
(Wait for a moment)

(Display Contact Info Slide w/ Nondiscrimination Statement)

Feel free to contact the CANS office with any questions at 605-773-3413, or by email at DOE.SchoolLunch@state.sd.us.

(Wait for a Minute.)